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STATE FOR EUR/UMB, OBO

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TAGS: [ABLD](#) [MD](#)
SUBJECT: ECONOMIC MINISTER DISCUSSES ACQUISITION
OF SITE FOR NEC

Classified By: Ambassador Asif J. Chaudhry for
reasons 1.4 (b) and (d)

11. (C) Summary: On November 13 Deputy Prime Minister and Minister of Economy, Igor Dodon, and U.S. Ambassador Asif J. Chaudhry met to discuss the acquisition of a five-hectare site located at 28 Vasile Lupu for a New Embassy Compound (NEC) for the USG. The GOM had suggested this five-hectare site to the USG approximately one year ago. Dodon noted that President Vladimir Voronin had specifically instructed him to work with the Embassy to support the acquisition. During the meeting Dodon explained that the USG could use several methods to acquire the site currently owned by the GOM: intergovernmental exchange or long-term lease. End Summary.

Method 1: The Intergovernmental Exchange of
Property

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12. (C) In a November 13 meeting Dodon explained that the Ministry of Defense had previously held jurisdiction over the privatization and reconfiguration of the site, but the Ministry of Economy was now responsible for the land. The Minister was accompanied by Igor Grigoriev, Director of the Agency for Public Property. The first method of acquisition outlined by the Minister would be an intergovernmental agreement on the exchange of property in Chisinau and Washington, DC. The GOM would give the USG land and possibly buildings for a NEC and the USG would reciprocate by giving the GOM land and possibly buildings in Washington, DC. According to the Minister, the United States and Moldova had employed this method in the early 1990s when the countries had established diplomatic relations. The Minister noted that the GOM and Turkey had recently used this method. Dodon cautioned that the intergovernmental exchange of property was a difficult method, because it required approval by both the GOM and the Parliament. Securing approvals could be time consuming. The Minister also noted that elections were scheduled for spring 2009 in Moldova and a change of government could further delay approval or result in a return to square one and starting the process anew.

Dodon later stated that the USG could possibly exchange the current U.S. Embassy site at 103 Mateevici for the new plot of land at 28 Vasile Lupu. The current site was acquired in an intergovernmental exchange in the early 1990s. If the new site were more valuable, the USG would have to add compensation. The Minister noted that

the GOM would need to investigate the legality of this option.

Method 2: Long-Term Lease Agreement

13. (C) Dodon stated that the second and simpler method of acquisition would be a 99-year long-term lease agreement for the site. The lease would permit the USG to build on the land. The Minister added that the GOM was prohibited by law from negotiating with the USG directly for the sale of the site. The GOM would have to introduce an amendment to current law to allow for direct sale of the land to the USG.

Next Steps

14. (C) Minister Dodon recommended that the Ambassador designate a primary point of contact to discuss the site acquisition with Mr. Grigoriev. Ambassador Chaudhry has instructed Management Officer, Stan Parmentier, to meet with Mr. Grigoriev and investigate the various methods of acquisition.

Comment

15. (C) Post perceives the Minister to be very supportive of the USG's acquisition of the site at 28 Vasile Lupu. Dodon seemed very intent on

finding the best method to enable the USG's acquisition of the site. President Voronin's tasking of the Minister to facilitate USG acquisition of the site further underlines the GOM's support for working with the USG to support acquisition of this site. The acquisition of a site by any method requires time and the upcoming elections in spring should be factored into negotiating and planning.

CHAUHDRY